GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department - Food Processing - Smart Foodz Limited (subsidiary of TATA Industries Limited) to set up RTE based packaged foods plant at Sri City, Tada, Chittoor District - Sanction of certain incentives - Orders- Issued.

INDUSTRIES & COMMERCE (PROGRAMME –III) DEPARTMENT

G.O.MS.No. 82 Dated: 12-07-2018
Read the following :-

1. Minutes of the meeting of the State Investment Promotion Board held on 12-06-2018.
2. From the CEO, APFPS, Vijayawada, e-file No.INC01/12/2018- CEO-FP- INDS, dated:07-07-2018.

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O R D E R:-

The Chief Executive Officer, Andhra Pradesh Food Processing Society, Vijayawada, through e-file 2nd read above, has stated that M/s Smart Foodz Limited(subsidiary of TATA Industries Limited) proposed to set up an Ultra Mega Project for ready to eat packaged food in 24 acres at Sri City, Tada, Chittoor District with a total investment of about Rs.480 Crore. The Plant will have fully integrated manufacturing facility consisting of 5 separate units namely RTE Unit (Manufacturing and Sterilization), Primary Processing Centre, Cold Chain Unit, Business Excellence entre and Testing Laboratory. The project is bringing a unique technology, i.e., MATS Microwave Assisted Thermal Sterilization which enhances the shelf life of TRE/packaged foods. Andhra Pradesh will be the first state in the country to have a RTE packaged Food Plant by TATA Industries using this patented technology. This will generate employment directly to 280 people and to 520 people indirectly in the 1st year, and directly to 430 people and indirectly to 820 people totalling 1250 people till 10th year.

2. The Chief Executive Officer, Andhra Pradesh Food Processing Society, Vijayawada has further stated that on the request of M/s Smart Foodz Limited(subsidiary of TATA Industries Limited), State Investment Promotion Board Chaired by the Hon'ble Chief Minister in its meeting held on 12- 06-2018 has discussed the issue of extension of incentives for setting up the proposed project in detail and recommended the following incentives, vide their Minutes 2nd read above;

Sl No	Incentive Requested	Recommendation of SIPB
1	Capital subsidy at 25% of project cost with maximum limit of Rs.30 crore for setting up different units.	To extend additional capital subsidy of Rs.2.00 Crore for setting up a testing lab in addition to the subsidies eligible which are approximately Rs.15.48 Crore under different schemes of A.P Food Processing Policy 2015-20 duly considering each unit as a separate entity
2	To waive off the condition of availing term loan before applying for incentives under different schemes	To relax the condition related to availing term loan.
3	Investment subsidy of Rs.20.00 Crore for setting up of Business Excellence Centre	To extend 25 percent of the eligible project cost subject to maximum up to Rs.5 Crore for setting up Business Excellence Centre, as it will be used for product related R&D capacity building, new product development technology support to other food processing units etc.,

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4	Upfront subsidy of Rs.5.00 Crore as freight reimbursement to compensate the expected loss incurred in domestic logistics..	To extend freight reimbursement @ Rs.1 Crore per annum for a period of 5 years from the date of commencement of commercial production.
5	Reimbursement of power cost @ Rs.2/- unit for a period of 10 years from the date of commencement of commercial production	For reimbursement of power cost @ Rs.1.50/- unit for a period of 7 years from date of commencement of commercial production.
6	Reimbursement of 100% SGST for a period of 10 years from the date of commencement of commercial production	For reimbursement of 100% SGST for a period of 7 years from the date of commencement of commercial production or up to realisation of 100 % fixed capital investment, whichever is earlier

3. The Government after careful examination of the entire matter, hereby accept the recommendations of the State Investment Promotion Board mentioned at para (2) above to promote the proposed project of M/s Smart Foodz Limited(subsidiary of TATA Industries Limited) at Sri City, Tada, Chittoor District.

4. The Chief Executive Officer, Andhra Pradesh Food Processing Society, Vijayawada shall take necessary action in the matter, accordingly and intimate the progress of the proposed project from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

M.GIRIJA SHANKAR
SECRETARY TO GOVERNMENT (FP)

To
The Chief Executive Officer,
A.P., Food Processing Society, D.No.48-11/1-5/8, Gadde Samba Siva Rao Street,
Sri Ramachandra Nagar, Vijayawada-08.
The Commissioner of Industries, A.P., 1st floor, Govt., Printing Press Buildings
Muthyalampadu, Vijayawada-520011.
The M/s Smart Foodz Limited(subsidiary of TATA Industries Limited)
through CEO, APFPS, Vijayawada

Copy to:
The Finance (FMU-REV-IC)Dept.
The Law Department.
The Collector and District Magistrate, Chittoor District.
The Accountant General, Andhra Pradesh, Hyderabad
The P.S to Hon'ble Minister for Industries and Food Processing
The P.S. to Secretary to Chief Minister
The P.S. to Chief Secretary to Government
The P.S.to Secretary to Government, (FP)
SC/SF

//FORWARDED::BY ORDER//

SECTION OFFICER